

# INTERNATIONAL Herald Tribune

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## Summit Reviews World Ills But Makes No Key Decisions

New York Times Service  
CANGCUN, Mexico — Leaders of 22 industrialized and developing nations have ended two days of talks with a detailed analysis of world poverty but without an agreement on a global strategy to alleviate them.

As the meeting ended Friday, the United States, Britain and West Germany still insisted that arrangements to remake the world economy take place in existing international agencies, which are controlled by the wealthier countries. The 19 other nations favor placing ultimate power in a United Nations body where each country has one vote.

to ensure there is a consensus" on the U.S. "benchmarks," he said.

In contrast, President Francois Mitterrand of France said he would be surprised if the negotiations did not begin by the spring.

A carefully drafted statement by the conference chairmen, President José López Portillo of Mexico and Prime Minister Pierre Elliott Trudeau of Canada, spelled out the division. One sentence said the 22 countries agreed to support "at the UN global negotiations on a basis to be mutually agreed and in circumstances offering the prospect of meaningful progress with a sense of urgency."

dent Reagan and Prime Minister Margaret Thatcher of Britain, that no General Assembly should overrule the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade. The developing world has a majority of votes in the UN assembly. The industrial nations, the biggest contributors, have the most votes in the special agencies.

Mr. Trudeau said at a news conference that "Mr. Reagan had indicated a willingness to embark on the global round. There is a consensus to launch global negotiations" and "that is movement," he said. But he conceded that his text "begs the question" of decision-making and "we failed to get agreement on exactly what the next step would be."

## U.S. Calls Envoy Home; Libyan Plot Reported

By Robert Reinhold  
New York Times Service  
WASHINGTON — The U.S. ambassador to Italy was hastily evacuated from Milan last Wednesday, without even a change of clothes, after Italian authorities reportedly uncovered a Libyan plot to assassinate him in retaliation for the downing of two Libyan planes last August, State Department officials say.

The ambassador, Maxwell M. Rabb, 71, formerly a prominent New York lawyer, was brought directly to Washington, where he remains under guard. He is expected to return to his post in Rome within a few days.



At a news conference Saturday, Secretary of State Alexander M. Haig Jr. declined to say that the gathering had spurred the global round. "A lot of preparatory discussions have to be held informally

an Exception

But the next sentence noted that the competence of the specialized agencies should not be affected.

This was a reference to the position, strongly underlined by President

Urgency Described

However, a diplomatic source with detailed knowledge of the incident said that considerable urgency surrounded Mr. Rabb's return. He gave this account of the events:

The ambassador had been visiting Milan when word of the plot emerged. The Italian authorities insisted heavy police protection for him early Wednesday morning. He was put aboard an early flight to Washington, where he was met by U.S. security agents.

According to this source, intelligence officials determined that Mr. Rabb's murder had been ordered by the Libyan leader, Col. Moammar Qadhafi, and that Mr. Rabb was Col. Qadhafi's primary target for avenging the Aug. 19 downing of two Libyan jets by U.S. fighter planes over the Gulf of Sidra off the Libyan coast.

Last May, the Reagan administration ordered Libya to close its diplomatic mission in Washington and expelled its staff, saying that there was "a wide range of Libyan provocations and misconduct, including support for international terrorism."

Nevertheless, the United States has retained strong economic ties with the North African country, which is the third largest supplier of oil to the United States, after Saudi Arabia and Nigeria.

Mr. Rabb appears to have been selected as a symbolic target rather than as someone active in the development of U.S. foreign policy toward Libya. He is reported to be confident that the Italian police can protect him when he returns to Rome.

Different View

Mr. López Portillo asserted that the talks "will move global negotiations forward" and "this fact was spelled out very clearly."

Third World nations, whose faster development he projected design of the global round, generally ignored the crucial political difference and took an optimistic view.

Mr. Mitterrand, however, said, "I personally consider that we have moved forward." Not in reply to a question, he admitted there were two divergent viewpoints over decision-making. "The developing countries want the General Assembly to have full control" while "certain industrial countries want to safeguard" their strength in the specialized agencies.

## Jamaica, a Flagship in the Caribbean, Still Kept Afloat by Direct Aid

By Christopher Dickey  
Washington Post Service  
KINGSTON, Jamaica — Jamaica, a kind of flagship in the Caribbean, seems to have done just about everything right recently that a developing country could do — from the Reagan administration's point of view.

But if Jamaica is not sinking, it is not sailing either, and it is being kept afloat mainly by the kind of direct aid that Washington is trying to de-emphasize.

A year ago, Jamaicans voted out a Socialist government friendly to Cuba and replaced it with a hard-nosed, relatively conservative government backed by and sympathetic to businessmen.

The new government of Prime Minister Edward Seaga courts foreign investors. It came to power offering "deliverance" from Socialism, with repeated promises to put the country's economic house in order.

Mr. Seaga was welcomed in January as the first state visitor to the Reagan White House.



Prime Minister Michael Manley combined an apparent hostility to the private sector with chaotic economic management and radical talk, and it devastated Jamaica's economy with seven consecutive years of downturns.

The Seaga government predicts that Jamaica will have a 1-percent growth in the gross domestic product in 1981. According to a government survey released in June, the previously increasing percentage of unemployed dropped from 27.9 percent in April, 1980, to 26.8 percent last April. But a foreign economist estimated that the economic growth by the end of the year probably will be probably closer to zero percent "and could be negative again."

A July report by the U.S. Embassy noted that the reason for "apparent improvement" in the unemployment situation "was an increase in underemployment in employment in activities such as street-side selling or casual farm work, which occupy a person only a few hours a week but yet get the individual recorded as employed in official labor surveys."



Marchers in London's West End during the call for nuclear disarmament.

## Polish Army Units to Aid Villages, Warsaw Says; Asks End to Strikes

By Thomas W. Netter  
The Associated Press  
WARSAW — The Polish government on Sunday ordered special military squads into 2,000 small villages and towns to back up local officials, and demanded an end to a mounting strike wave over food shortages and other issues.

Minister of Administration Tadeusz Hupalowksi said the special military units were to "help solve local conflicts," and added that "extraordinary situations require extraordinary measures."

"We are facing winter and people are anxious," Gen. Hupalowksi said on television. "The situation is getting worse and the government is doing everything it can to make survival possible."

rather than a step toward martial law.

Government sources said thousands of troops, in three- and four-man squads, would be fanning out across Poland. Gen. Hupalowksi said the action would begin Monday.

Solidarity unionists, meeting across the country over the weekend to assess the government move

The Communist Party goes on the offensive in Poland, Page 2.

and prepare for a national strike Wednesday, have reacted to the government's decision with a mixture of indifference and acceptance.

Many union officials said they would welcome the arrival of military units if they helped improve the deteriorating food situation or provided more coal and fuel for people in the countryside.

ince where there is a major tractor factory, also carried a lengthy speech by a Politburo member, Kazimierz Barcikowski, who said "every consecutive action of the government was torpedoed and blocked by Solidarity in the past months."

"Platform of Dialogue"

Poland's Democratic Party warned of the growing tension in Poland and called for a "broad platform of dialogue between the authorities, the Solidarity union and the Roman Catholic Church," the Polish news agency PAP reported.

The party's Central Committee said the church and trade unions should find a place in the Communist-led national unity front, an umbrella organization that also includes the Peasants' Party and nominates candidates for local and national elections.

## 600,000 March In Europe Over Arms Buildup

By Edward Cody  
Washington Post Service  
PARIS — Demonstrators calling for nuclear disarmament staged huge protest marches in Paris and Brussels on Sunday, adding momentum to a growing political constituency opposed to deploying improved U.S. nuclear weapons in Europe. The peaceful marches followed large protests Saturday in Rome and London.

The weekend's protests again dramatized the difficulties faced by the Reagan administration in its efforts to upgrade and increase U.S. weaponry in Western Europe to face Soviet forces in Eastern Europe strengthened by mobile SS-20 nuclear missiles.

The turnout — estimated at more than 50,000 in Paris and at least 200,000 in Brussels — underlined the popular appeal of anti-nuclear arguments that U.S. and European strategists fear will have to be taken into account by Western Europe's democratic governments to the possible detriment of plans to introduce Pershing 2 and Cruise missiles into the European nuclear balance.

Some European nations are expected to urge "zero option" as U.S. arms talks position, Page 3.

Several U.S. Roman Catholic bishops increase opposition to the U.S. arms race stance, Page 4.

ing for a long time," said a statement from the Communist-led French labor union, the Confédération Générale du Travail, read to loud cheers at a mass rally after the march.

The British Communist Party and its Belgian counterpart played key roles in organizing and publicizing the protests Sunday. But marchers in both cities called for an end to deployment of Soviet SS-20 missiles as well as a ban on the U.S. Pershings and Cruises.

In London, Labor Party leader Michael Foot led the crowd: "This is one of the greatest days in the history of this democracy. The size of this demonstration shows that we are not prepared to give in to the dictates of the arms race."

Growing Fears

Mr. Foot, other speakers and many marchers attributed Saturday's large turnout and other signs of considerable growth in nuclear disarmament sentiment in Britain during the past year to growing fears that the United States and the Soviet Union might fight a limited nuclear war in Europe, sparing their own homelands, Washington Post correspondent Leonard Downie reported from London.

## Fundamentalists Clash With Egyptian Police

From Agency Dispatches  
CAIRO — Police and underground Muslim groups have fought a series of gunbattles in several parts of Cairo, the government said Sunday.

An Interior Ministry statement said one Muslim fundamentalist was killed and 397 were arrested. The ministry said police had seized caches of arms and were continuing their raids aimed at wiping out the remaining fundamentalist hideouts.

The government statement said one clash took place on Friday but did not say when the others occurred.

Although the statement said 397 fundamentalists had been detained, it did not indicate over what period the arrests had been made.

Earlier, it was reported by the semi-official newspaper Al-Ahram that Egyptian security units had arrested 356 Moslems belonging to the organization that is believed responsible for the assassination of Sadat.

Egyptian security sources indicated that the police were still searching villages and cities across the country in the hunt for more members of the underground Muslim network that reportedly engineered the slaying of Sadat at a military parade Oct. 6.

President Hosni Mubarak said in an interview published in Al-Ahram on Saturday that the conspiracy to kill Sadat involved a coalition of secret Islamic societies, with the leading role being played by a group called Takfir wa-Hijra (Repentant and Holy Hijra).

Plans Are Cited

Mr. Mubarak said the assassins and other members of the network, which reached inside the armed forces, had planned to annihilate the entire Egyptian political, religious and military hierarchy in preparation for establishment of an Islamic republic such as that of Ayatollah Khomeini in Iran.

## 600,000 March In Europe Over Arms Buildup

The statement said the fundamentalists had confessed that they planned a "Khomeini-style" revolution in Egypt — a reference to Iran's leader, the Ayatollah Ruhollah Khomeini — killing officials and sabotaging vital installations.

It said fundamentalists had hurled grenades and other explosives at raiding police in the plush suburb of Maadi, a favorite residential area for Western diplomats. One fundamentalist was reportedly killed in that exchange.

The statement said that on Friday police raided a hideout in the Gamalya area and were met with hand grenades and submachine gun fire. A number of policemen were wounded in the raids, but not seriously, it said.

Other Egyptian security sources, however, said that the number of arrests disclosed by the government was too low and that about 1,500 people — both religious militants and political extremists — had been detained since the assassination on Oct. 6.

Mr. Mubarak said the Muslim extremists were also found to have a motif, an adviser to Islamic law, who provided what the president termed spurious religious legitimation for assassination and theft.

Businessmen and members of Mr. Seaga's government deny this, but many, like Mr. Boothe, question whether Jamaica is an example for others.

"What is being done here, I do not believe can be done anywhere else," said Mr. Boothe, who was formerly with the United Nations. "This is a special case."







Jah, 10/26/81

# UN Is to Begin Process This Week of Electing New Secretary-General

By Michael J. Berlin  
*Washington Post Service*

UNITED NATIONS, N.Y. — The United Nations begins the process of electing a new Secretary-General on Tuesday, in a contest that pits the superpowers against the Third World and may prove to be the institution's most important decision of the year.

So far, there are just two official candidates — Austria's Kurt Waldheim, who is seeking an unprecedented third five-year term, and Tanzanian Foreign Minister Salim A. Salim, who has the formal endorsement of more than half the UN's 156 members.

But there are at least a half-dozen dark horses ready to jump in if a deadlock develops, a strong possibility.

**Political Authority**

Although the political and administrative authority of any secretary-general is severely limited by the charter and the institutional evolution of the United Nations, there remains the power to build or to erode the usefulness of the institution itself.

Only the most intractable issues can come to the secretary-general, and on these his ability to act as an intermediary is often limited by the unreality or the political bias of the tasks assigned him by UN legislative bodies on issues ranging from Afghanistan to South-West Africa (Namibia).

But the secretary-general can still speak out publicly, demonstrate his effectiveness and innovation as intermediary, catalyst, conscience — or at least as *dans ex machina*. And so the selection of a new person for the job is always a watershed for the United Nations, and potentially for the world.

Mr. Waldheim has conducted a masterful 10-year balancing act to satisfy the demands of the rival power blocs, but the feeling has grown among Third World diplomats that it is time for one of their own to take the leadership of the organization they see as the chief international mechanism for the advancement of their common interests.

The secretary-general's innate caution is believed to have earned him the support of both Washington and Moscow.

The drama begins when the names of Mr. Salim and Mr. Waldheim are voted on in secret ballots at Tuesday's closed meeting of the 15-nation Security Council. Each man is expected to win the necessary majority of nine on the first ballot, because council members may vote for more than one candidate.

But the expectation is that each will be vetoed — Mr. Salim by the

United States and Mr. Waldheim by China.

There is serious opposition to Mr. Salim in Washington from some observers who perceive him as an anti-American radical, a perception not present during the Carter administration. Others in the Reagan administration remember Mr. Salim leading the cheers in the UN's China seat in 1971, much to the discomfort of George Bush, then UN ambassador and now vice president.

The Russians are thought to fear that Mr. Salim — an energetic and intelligent diplomat with long UN experience — will prove to be an activist as secretary-general, and that he is too close to Peking. But Moscow is expected to let the United States apply the coup de grace, to preserve its public record of support for the Third World.

The Chinese, who have always preferred a Third World candidate, have let it be known that they will veto Mr. Waldheim at least so long as Mr. Salim continues to hold his nine-vote majority. It is generally believed by diplomats, however, that Peking will give in before Washington does.

Many of Mr. Salim's votes — such as those by France, Ireland and Spain, which are expected to support both candidates on the first ballot — could erode on succeeding rounds, dropping him below the necessary nine, and prompting China to withdraw its veto of Mr. Waldheim.

That would break the deadlock and permit Mr. Waldheim to triumph in the council. In the past, such big-power decision has been conclusive. The 156-nation assembly, which must approve the council nominee (also by secret ballot), has been no more than a rubber stamp.

But this year, for the first time, Mr. Salim has emerged as a group candidate, rather than an individual running on his own merits. He won the formal endorsement of the Organization of African Unity in June, and that of the 83-nation Non-Aligned Movement late last month.

Not all of that support is solid, however, especially in a secret ballot.

Nevertheless, Algeria and other Salim backers have been lobbying for votes to have the assembly reject a council recommendation of Mr. Waldheim's candidacy. And the Latin Americans could join African nations to create such an assembly majority to promote the deadlock they seek.

Should such a stalemate arise, either in the council or by an assembly rebellion, the dark horses would emerge.



**PICASSO CELEBRATION** — While Madrid marked the 100th anniversary of Picasso's birth by displaying the painting "Guernica" in Spain for the first time, the painter's birthplace, Caltojar, celebrated with wall paintings.

## Basque Communists Reject Party Opposition to Merger

**MADRID** — Leaders of the Basque Communist Party have rejected directives from national party headquarters against a proposed merger with a radical Basque nationalist party, saying: "These measures initiate the rupture of relations between" the two Communist parties.

The proposed fusion with the leftist Basque nationalist coalition Euzkadiko Erkerra has divided Basque Communists and has worried the national party's leadership.

In an attempt to establish their authority, national Communist leaders annulled sanctions imposed by the Basque party against members opposed to the merger. But the Basque party, meeting in Bilbao, rejected the directives Saturday as illegal interference in its affairs, and accused the national leaders of siding with a minority fighting the merger.

The two Communist groups now seem headed for a final break, Basque party sources said.

In Madrid, meanwhile, Spain's opposition Socialists gave party leader Felipe Gonzalez a mandate Saturday to pursue his bid for office against the ruling centrists. Mr. Gonzalez, 39, was unanimously re-elected secretary-general of the Spanish Socialist Workers Party at the end of its 29th congress.

Opinion polls have put the Socialists ahead of the governing Union of the Democratic Center, which has been in power since 1977. The next general election is due in 1983, but dwindling support for the centrists has increased speculation that Premier Leopoldo Calvo Sotelo may call early elections.

Four bombs exploded outside public buildings in Barcelona and Alicante on Saturday, and the Catalan separatist organization Terra Lliure (Free Land) claimed responsibility. Police said the bombs caused some damage but no casualties.

A police spokesman said the man had been charged with assault and carrying a "cutting instrument."

## Special Panel Being Set Up For Pakistan Council Chosen by Zia May Replace Assembly

**LAHORE, Pakistan** — President Mohammed Zia ul-Haq has announced that an advisory council will be established next month to determine a framework for the country's political system.

Members of the council will be chosen by the president and his aides, the government press agency APP said Saturday.

Gen. Zia said at a press conference that a cross section of the country's population would be represented in the advisory council, or *majlis-i-shoora* as it would be known here. But he did not indicate whether the body would go beyond expressing opinions and propose specific changes in legislation.

The concept of an advisory council has been raised several times by President Zia's military regime, and there has been speculation that the aim is for it to replace the National Assembly, which has not met since 1977.

While advocating the formation of the council, Gen. Zia during the last year has questioned the appropriateness of Western-style democracy in an Islamic society such as Pakistan's. Critics have suggested that he wants to do away with the parliamentary system because of the possibility that he would be swept from power if a free election were held.

Gen. Zia came to power in a coup in July, 1977, that overthrew Prime Minister Zulfikar Ali Bhutto. Gen. Bhutto was hanged two years later after he was convicted in a murder-conspiracy case. Shortly afterward, Gen. Zia canceled promised elections and banned political activity.

**Family Faces Suit**

**KARACHI, Pakistan** (Reuters) — The military government has started legal proceedings against the family of Mr. Bhutto to recover about five million rupees (\$500,000) it says he misappropriated while in office.

Authoritative sources said summonses had been issued for Mr. Bhutto's widow, two sons and two daughters to appear before a court in the Sind region next month to answer the charges. The sources said the government case involved two separate amounts of money "dishonestly misappropriated" by Mr. Bhutto while he was prime minister.

**New Jersey Fire Kills 11**

**HOBOKEN, N.J.** — Eleven persons, including seven children, died Saturday in a fire at a five-story apartment building, police said.

## Carter Drops Plans to Sue for Libel Over Washington Post Gossip Item

By Paul Taylor  
*Washington Post Service*

**WASHINGTON** — Former President Carter says that he is dropping plans to sue The Washington Post for libel over a gossip item it published in its *Ear* column on Oct. 5.

Mr. Carter said he reached the decision after receiving a letter of apology and retraction Friday from the publisher of the newspaper, Donald E. Graham.

In a statement released by his Washington attorney, the former president said that the item had caused "considerable concern" to him and his wife, Rosalynn. He added: "Fortunately, because of my previous position, I had access to the public news media and could draw attention to my problem. Many victims of similarly false allegations do not enjoy this opportunity, but suffer just as severely."

The story that led to the dispute between the former president and The Post concerned rumors that Blair House, the government guest house, had been bugged when Ronald Reagan stayed there before Inauguration Day when he was president-elect.

Mr. Graham's letter of apology:

The decision by the publishers of a nationally and internationally influential newspaper like The Post to print a regular column which is widely known to be based on rumor and gossip adds unwarranted credence to its false reports," the statement said. "Even an instant and enthusiastic effort by newspaper editors to correct errors can never be completely successful in erasing the damage caused by unfounded gossip."

The *Ear*, which had been a popular feature of the defunct Washington Star, has been running in The Post since last month.

Mr. Carter's statement also took issue with an Oct. 14 editorial in which The Post made its first formal response to his demand for an apology:

"The editorial seemed to claim the right to publish rumors that are damaging to innocent people even if the rumors are believed by The Post editors to be untrue. Having seen the effects on my family and friends in this and other instances that publication of false allegations can have, I could not allow such a claim to go unchallenged. Yesterday's letter from Mr. Graham now makes clear that The Post does not claim the right to print rumors without verification of their accuracy."

Jody Powell, who was Mr. Carter's press secretary at the White House, said Saturday that the president decided not to proceed with a libel suit because "he concluded that the things that most concern him about this case could be addressed outside of a courtroom."

Mr. Powell said that he and Mr. Carter hoped the incident would receive a full airing in journalism reviews and in the community at large. "The president's hope is that without the threat of legal action hanging over his head, The Post will deal fairly and straightforwardly with some of the issues raised by this case," Mr. Powell said.

## Argentines Object to U.S. Award Being Given to Jacobo Timerman

By Edward Schumacher  
*New York Times Service*

**BUENOS AIRES** — A new controversy has arisen here over Jacobo Timerman, an Argentine dissident and former newspaper publisher who is to receive an award in New York Tuesday for "distinguished journalistic contributions to the advancement of inter-American understanding."

Several previous Argentine winners of the award, Columbia University's Maria Moors Cabot Prize, have protested against the award of the prize to Mr. Timerman. Angry notes have been sent to the university by Argentine publishers, writers and a cartoonist who have received the prize or represent recipients. Some have asked that their names be withdrawn from the list of past winners.

Mr. Timerman was publisher of the Buenos Aires daily *La Opinion* until his arrest in 1977 by Argentine security forces. In his book, published this year, he described torture that he underwent during two and a half years in detention because of his newspaper's defense of human rights. He also said anti-Semitism in Argentina contributed to the treatment that he, a Jew, received. He was expelled from Argentina in 1979 and now lives in Israel.

The award he is to receive was established in 1939 and consists of a gold medal, a certificate and \$1,000. It is to be presented to four journalists at a dinner at Columbia University Tuesday night.

Mr. Timerman, author of the book "Prisoner Without a Name, Cell Without a Number," is being cited as having advanced the cause of human rights and the free flow of information.

Diana Julio de Massot, publisher of *Noeva Provincia* of Bahia Blanca, sent a telegram to Osborn Elliott, dean of the Columbia School of Journalism, saying: "Astounded that Cabot prize to Jacobo Timerman and that former Argentine recipients were not consulted." The note described Mr. Timerman as a "political opportunist, encourager of Marxist terrorists and partner of international swindler David Graiver."

The Cabot prize is given on behalf of the trustees of Columbia University, but the winners were chosen by a nine-member committee, most of whom were past recipients. According to a university official, two members were absent but the other seven voted unanimously for Mr. Timerman.

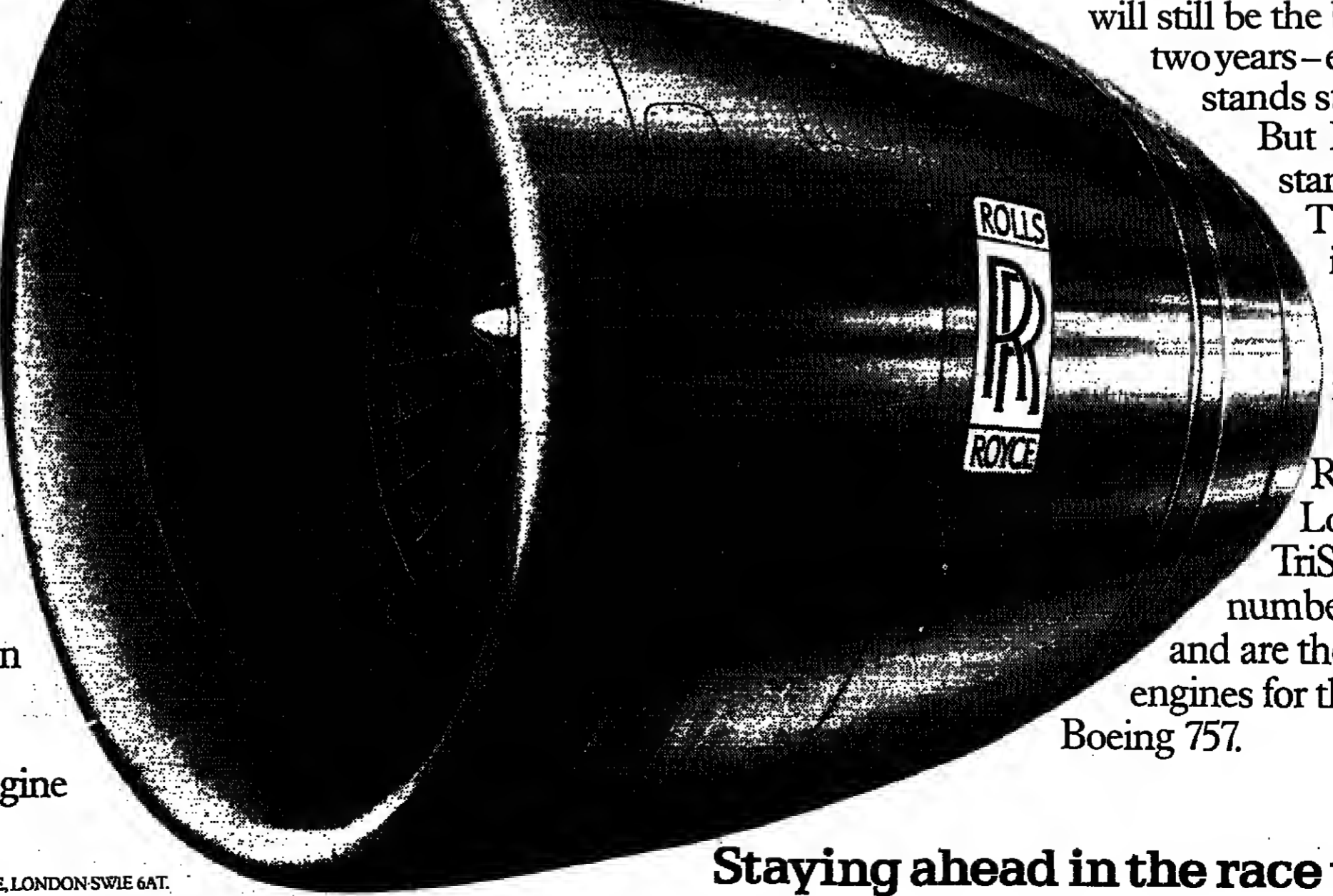
Mr. Timerman's former captors have released tape recordings of their interrogation of him; a focus of their questioning was his relationship with Mr. Graiver, an investor in Mr. Timerman's newspaper who was said to have given money to leftist terrorists. No proof has been presented of a Graiver-terrorist connection, however, and Mr. Timerman was cleared by a special military court.

"The moment Timerman gets the prize," said Maximo Gaimza, publisher of *La Prensa*, a leading daily here, "I am taking all the Moors Cabot plates off our wall."

*La Prensa* has won four of the awards and its reporters four more, accounting for almost half of all Cabot prizes given to Argentines, Mr. Gaimza said.

# There's only one best.

For three years the Rolls-Royce RB211-524 engine has been the fuel economy leader in the Boeing 747 — the only airliner in service where the performance of the three large competing engines can be directly compared. The 524 has consistently demonstrated a lower fuel consumption than either of its competitors — not only when the engines are new, but even more so after thousands of hours of service life.



will still be the best for the next two years — even if Rolls-Royce stands still. But Rolls-Royce never stands still. The 524D4 is entering service with yet another five per cent improvement in fuel consumption. Rolls-Royce RB211s power all Lockheed L-1011 TriStars, a growing number of Boeing 747s and are the launch engines for the new Boeing 757.





1981/10/15

# Banking and Finance in ASIA

A SPECIAL SUPPLEMENT

## INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, OCTOBER, 1981

### Region Is Attractive To Foreign Investors

Special to the IHT

HIGH real growth rates, low inflation and stable governments make most of Southeast Asia, from Singapore to Hong Kong, an attractive place for foreign investors. While all countries in the region have introduced various measures to spread company equity among the local inhabitants, most welcome foreign concerns, especially in joint ventures, and allow the repatriation of profits.

Oil and natural gas have been among the biggest draws. Indonesia, a long-standing member of the Organization of Petroleum Exporting Countries, has the most developed petroleum industry, and the state oil corporation, Pertamina, is particularly welcoming joint ventures with foreigners for downstream petrochemicals.

Malaysia is heavily involved in oil exploration, while Thailand is about to bring gas in from the Gulf of Siam and to set up heavy industry using the gas as fuel under its five-year plan announced in September.

The Philippines has found oil off Palawan, and although its initial producer, the Nido field, has not lived up to the highest expectations, more finds are likely.

Singapore is well-established as the oil refining center of Southeast Asia, and Hong Kong is poised to cash in by supporting China's exploration in the South China Sea. In particular, the British-administered territory could become an important support base for the expected oil bonanza in the Peard River estuary.

set their hearts at ease are blotting out worries about the reversion of most of the colony to China under the terms of the new territories lease. Already, China is keeping Hong Kong going by providing most of its fresh food and one-third of its water.

Investment in the region can have its problems, however. The list of licenses and permits needed to set up business in Indonesia has to be seen to be believed—it covers permits for manufacturing, distribution, imports of raw materials, exports of finished goods, transport, inter-island movements of goods, often with licenses required from provincial as well as central government. The good news is that legislation to cut through some of the red tape has been introduced, making use of a 30-year-old Dutch colonial law.

The Philippines heavily restricts foreign participation in resource-based industries, while Malaysia aims to spread ownership of company shares toward a target of 40 percent for indigenous Malaysians, 30 percent for Malaysian Chinese and 30 percent for others.

Nowhere is the confidence in the region seen more than in the willingness of commercial banks to lend. In spite of uncertainties about the world financial system, there is notable and persistent optimism when it comes to the Asian lending market. High oil bills and prohibitive interest rates do not seem to be taking their toll.

The problem banks encounter is (Continued on Page 10S)



An employee chalks up foreign exchange quotations at the entrance of the Bank of China in Wihan.

### Bank's Growth Tied To Area Development

Special to the IHT

THE RAPID growth of the Hong Kong and Shanghai Banking Corp. has probably done more than anything else to put Asian finance on the world map.

The bank has long dominated the British colony, and now has 200 branches scattered throughout the 400-square-mile territory. It was incorporated in 1865 and its board of directors includes the top names in Hong Kong business. It holds 29.4 percent of the shares of Hong Kong's airline Cathay Pacific and 43.8 percent of the leading English-language newspaper, the South China Morning Post.

Local subsidiary and associated companies operate in merchant banking, finance and investment, insurance, investment management, corporate management, export credit, bullion dealing, company data information, shipping and property.

The bank has an issued capital of HK\$3.9 billion shares of HK\$2.50 per value. The share price is about HK\$15. Its profit after tax and minorities was HK\$1.4 billion in 1980, and at the interim stage this year it was 34 percent ahead of the halfway stage last year. Profits for the full year are expected to reach HK\$2 billion.

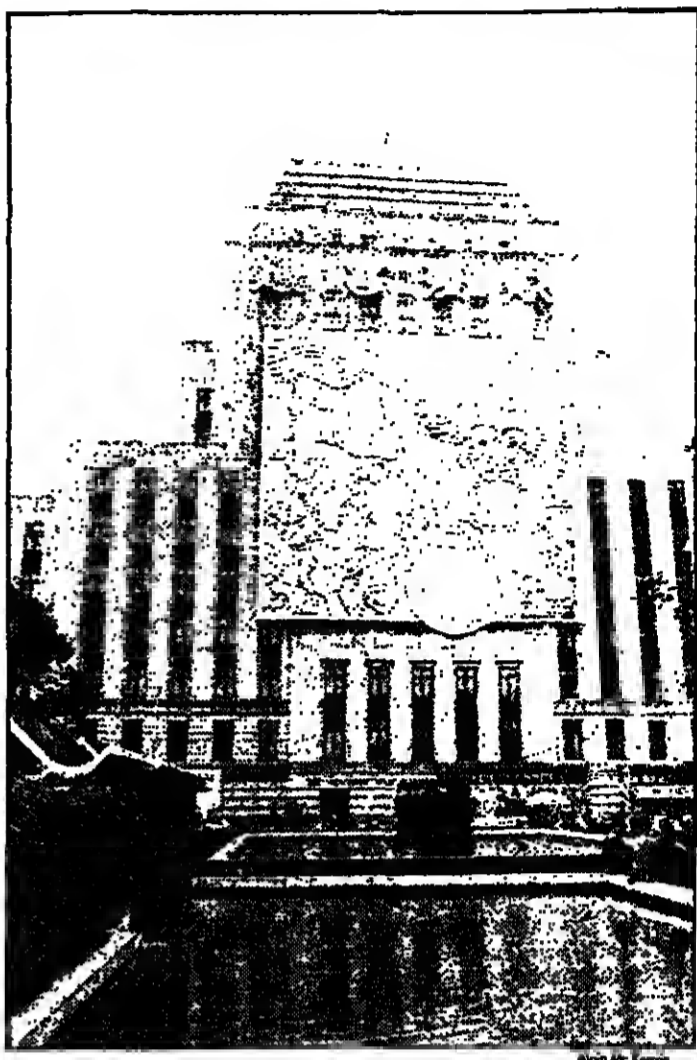
Inner Reserves Few people know, however, what the bank is really worth or the real size of its profits. Each year, it transfers to its inner reserves an undisclosed amount, a tactic that helps smooth out the profit rise.

The policy of secrecy has been one of the stumbling blocks in the bank's internationalization campaign, especially in the United States, where disclosure of information to the authorities is mandatory.

When the Hong Kong Bank attempted to merge with Marine Midland, in effect taking over the U.S. bank, it ran into the sort of opposition it does not have to meet in Hong Kong.

The New York state superintendent of banks, Muel Siefert,

*The Hong Kong and Shanghai Banking Corp. has undertaken a campaign of internationalization. But a policy of secrecy has been a stumbling block.*



The Hong Kong and Shanghai Banking Corp., shown here during Chinese New Year celebrations in Hong Kong, is one of the driving forces of Asian finance.

### China Is Luring Overseas Funds

Special to the IHT

CHINA is going all out to woo the foreign investor. The government is keen to lure overseas money to develop the many projects that it cannot afford because of the present spending cutback.

That leaves the foreign investor in perhaps a better bargaining position than at any time since early 1979, when China officially opened up to the West.

The country is going through what the government terms a readjustment period. This translates into less money for foreign imports and a general belt-tightening. For exporters to China, this is bad news. But for investors looking for long-term gain, it could be the beginning of good things.

Chinese officials have stressed that readjustment does not mean the abandonment of modernization. The government still wants to build roads and railways and to develop its light and heavy industry, but it has come to realize that it does not have enough money to do all the things it wants to do.

Battle of Regions The battle among Chinese special economic zones to lure foreign investment is perhaps the best testimony to the country's new mood. The last few months have seen the Guangdong special economic zone

*Perhaps the most tangible proof of the foreign welcome is China's new willingness to grant foreign businessmen multiple re-entry visas.*

were going to be under the new package. He was told: "Lower than Shenzhen."

Businessmen also say that special zone officials seem much more flexible these days in their interpretation of China's investment regulations. Shenzhen in particular has been hosting an increasing number of fact-finding tours for foreign businessmen in the last half-year and has lost no opportunity in assuring visitors that their investment dollar is valued.

Re-Entry Visas Perhaps the most tangible proof of the foreign welcome is China's new willingness to grant foreign businessmen multiple re-entry visas. And while there is still a lot of red tape and delay, there is also official recognition that cumbersome travel procedures deter investors.

Among the proposals that Shenzhen presented to Peking in September is that businessmen visiting the zone for less than three days be given an entry visa on arrival instead of having to apply in advance.

China formally set up three special economic zones in Guangdong province in 1980. They are Shenzhen, which is across the border from Hong Kong; Shantou, which is further north along the coast; and Zhuhai, which borders the Portuguese territory of Macao.

Legislation provides for investment incentives mainly in the form of tax concessions. The tax rate in the zones, for example, is 15 percent, against 33 percent in the rest of the country. Import duties are also waived on goods and machinery deemed necessary for production.

Investment incentives are similar in the region of Xiamen in neighboring Fujian province. Xiamen has been formally designated a special economic zone, although legislation governing investment is still at the drafting stage.

Shenzhen, which so far is the most successful special zone in attracting overseas capital, claims \$366.67 million worth of foreign investment in 630 projects up to March, 1981. About half of this investment is in property development. The other half ranges from fast-food shops to handbag factories to workshops assembling television sets.

Chinese Capital But the foreign investment to which the Shenzhen authorities refer is mostly Hong Kong Chinese or overseas Chinese capital. No official figures are given for non-Chinese investment, although a look at the major foreign ventures in the zone indicates that it has attracted only the small fish. Ventures include a Pepsi-Cola plant, a Japanese fish farm, a joint U.S.-Thai feed mill, a Japanese electronics factory, an Australian stone quarry, a Philippine pig farm and an American warehouse.

Investment outside the special zones has concentrated in the provinces of Guangdong and Fujian. The two provinces have strong overseas Chinese connections, which translate into considerable investment interest. Guangdong in particular benefits from Hong Kong Chinese money.

The desire of the overseas Chinese to invest in their homeland is prompted both by sentiment and by the practical realization that they are better-placed than foreigners in spotting profitable ventures.

### Economic Cooperation Sought

Special to the IHT

DO THE GOVERNMENTS of Southeast Asia have the political will to make economic cooperation work? That is the question hanging over the Association of Southeast Asian Nations, a political and economic grouping of Singapore, Malaysia, Thailand, Indonesia and the Philippines.

The five countries can point to a rapidly growing list of goods on which tariffs within ASEAN have been lowered or removed. But they have singularly failed to turn economic cooperation into industrial projects.

The governments were supposed to lead the way with two forms of industrial cooperation: joint industrial projects and industrial complementation. Under the projects, each country was to have a self-chosen industry that would have protected access to all ASEAN countries, and there would be no competing industry making the same product in any of the others.

This idea soon ran up against a barrier: Members did not want to make sacrifices. For example, diesel engine manufacturing was supposed to be carried out only in Singapore. But Indonesia already made some diesel engines, and was not prepared to shut the industry down in favor of Singapore.

Japanese Stand Another problem was that the projects were to be financed in part by Japan as a goodwill gesture to the region. Japan insisted that, if it was to put up the money, it must send in experts to establish the viability of the schemes. ASEAN felt that Japan was trying to impose loan requirements tailored in favor of Japanese suppliers. Japanese teams evaluated projects, Japanese consultants were hired to prepare the tender documents and Japanese suppliers were given the main advantage in tendering, according to an ASEAN report.

Under the complementation project, one complete product was to be assembled from parts produced in each ASEAN nation. For vehicles, production was allocated as: Indonesia, diesel engines; Malaysia, timing chains, roller chains, grease nipples and spacers; the Philippines, car body panels; Thailand, body panels for commercial vehicles; and Singapore, universal joints.

Singapore has virtually dropped out of both schemes. It will take only a nominal equity in the ASEAN projects, although each nation was supposed to hold 10 percent of the shares in each other country's projects and 60 percent of its own. And Singapore will not have a project. Similarly, the complementation schemes are going ahead without Singapore's participation.

Private Enterprise This wrangling has led private enterprise to claim that it is being held back in promoting regional cooperation, that governments have hindered rather than initiated progress. Nonetheless, the private sector has taken the initiative, and a number of organizations have been formed, including the ASEAN chambers of commerce and industry, and federations bringing together shippers, accountants and employer organizations.

Probably the most hopeful sign of cooperation so far has come in the finance sector.

This year, one of the grouping's most active organizations, the ASEAN Banking Council, created the ASEAN Finance Corp., which will provide venture capital plus management and technical advice to promising business projects. The corporation should close the gap between large multinational enterprises and the relatively modest business infrastructure, and nurture a generation of indigenous entrepreneurs. It will be a half-merchant bank and half investment holding company.

The new corporation will aid new and existing businesses, particularly those that operate in more than one ASEAN country. Apart from providing equity capital and start-up loans, it will underwrite debt and equity issues and provide financial, technical and management advice. It will become a shareholder in a proposed Japan-ASEAN finance corporation that will serve as a conduit for channeling Japanese investment toward ASEAN.

The five-nation grouping is pressing Europe, the United States and Australia to form similar joint-financing ventures.

The idea of the finance corporation has taken shape over several years, with businessmen and financiers increasingly recognizing the need for more broadly based industrialization, and hence for institutions providing capital to smaller businesses with limited access to funds. With the region's biggest banks participating, the corporation should have no difficulty raising long-term funds.



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Banking and Finance in ASIA

Stock Markets Struggling Against Regulation — or the Lack of It

REGULATION — or the lack of it — has tarnished the image of Asian stock markets. While Hong Kong, Singapore and Malaysia are attempting to bring rules into line with Western stand-

ards of accountability and fair play for small investors, Indonesia is strangled by official policies, and the Philippines and Thailand have suffered from tight liquidity and government incoherence. Hong Kong has proved to be the

region's top performer. The market moved up rapidly from September, 1979, but growth was based on sound fundamentals. The market has come off the top since setting a high in July, but the fall has been less dramatic than the

collapse in 1973 of the last bull market, when a flood of dubious issues cashing in on the high liquidity broke the confidence of investors. The opening up of China, re-

usually move in tandem, as many stocks are listed on both exchanges, although Kuala Lumpur has shown greater independence on stock exchange indices during the last two years.

Both markets peaked earlier this year and fell rapidly until regulations were tightened.

Short Sellers

The target was short sellers, accused in both countries of manipulating the market. Both had existing regulations covering the time allowed for paying for stock or delivering scrip, but neither center enforced the rules stringently until the markets collapsed.

The freewheeling environment has tarnished the image of the stock market, however. The takeover code is voluntary, and 50 percent is regarded as the point at which control is achieved. A special committee on takeovers and mergers, under the auspices of the Securities Commission, has tried and failed to gain acceptance for a lower figure.

The Securities Commission lacks manpower and expertise, and several of its rulings have been overtaken by events before they were pronounced. Flaws in the system became apparent last year when one of Hong Kong's biggest takeover battles, for control of Hong Kong Wharf, broke out.

Two rival partial bids were made, and the battle was won and lost before the committee could issue what was to be ineffective slips on the wrist to all concerned. A demand by the committee that the successful bidder make a full offer was ignored.

This year, the committee again got into a tangle over partial bids, this time for the territory's China Motor Bus Co., and blundered by failing to read the small print on one offer. As a result, it got into a muddle over whether partial bidders could buy shares on the market and deduct their purchases from the number of shares accepted under the offer.

Hong Kong has also failed to come to grips with disclosure of large shareholdings. Traditions of secrecy still rule. Singapore and Malaysia markets

users. Listing requirements may be stepped up, and the stock market regulating committee, composed of brokers, may be widened to include a government official and representatives of merchant banks and institutional managers.

Bangkok's experience has shown how an unregulated market can go wrong. The exchange was set up in April, 1975, with the Book Club Index, the market barometer, at 100. After two years of drift, the market took off in January, 1977.

The exchange was promoted by the Thai government to raise capital for development of business and to distribute share ownership more widely. This second aim was all too successfully achieved. Trading volume jumped from 3.7 million bahts per day to 734 million bahts, and the index tripled from 80 points to 250 points by 1979. People who had never heard of a stock market before climbed aboard, using 30-percent margin accounts offered by finance houses—stockbrokers. Money was plentiful and cheap.

When the bubble burst, brokers were not quick enough to keep margins topped up and several were found using dubious practices such as employing savers' money to buy shares in their own companies. Investors who found their brokers had violated the law refused to honor transactions.

The doubling of interest rates, poor harvests, falls in profits and a tight money policy did the rest.

Book Club Index

The Book Club Index is now below 100 after dropping one point a week for four months. On fundamentals the market is very cheap, but potential buyers keep waiting for someone else to move first.

Tight liquidity combined with government indecisiveness on stock market regulations have hit the Manila exchange and its counterpart in the Merkant business district. Lenders to shareholders turned tough this year as they knew the borrowers had an asset that could be realized quickly.

The new Malaysian legislation is expected to extend regulations covering brokers to all markets

Singapore Plans to Tighten Commodity Trading Rules

By Joel Strate-McClure

GOVERNMENT monitoring bodies in Singapore have prepared legislation that will more tightly regulate future commodity trading activities in the island city state. A new Gold Trading Act, prepared by the Monetary Authority of Singapore (MAS), and a commodity futures trading act, drawn up by the Department of Trade, are expected to be adopted by Parliament during the next few months.

Fast regulations pertaining to Singapore commodity markets have been notably lax, and the permissive atmosphere was underlined earlier this year when a private company, Kinorris Pte. Ltd., abruptly folded, leaving investors with a loss totaling \$1.5 million. A criminal investigation is under way, and a local newspaper has complained that Singapore simply does not "have effective laws to control commodity trading companies or prevent them from swindling clients."

Although the Department of Trade contends that Kinorris "was trading quietly and without our knowledge," most local brokers and government officials agree that stiffer regulations are required to legitimize the market and enhance Singapore's reputation as a competitive commodities marketplace.

"We are a growing commercial center in Asia but our commodities market is still in its infancy, and we should have had regulations, quite some time ago," a spokesman for the Department of Trade said.

Differing Views

Some observers feel that the commodity market in Singapore has grown too quickly and believe that regulations may be coming too late. Others speculate that regulations at this stage will chase away speculative companies like Kinorris and lead to the creation of a legitimate commodity exchange. Another sector feels that regulations alone are not enough to give the Singapore commodities market an international presence.

"The Singapore market is new and thin," a U.S. broker said. "Regulations will control the validity of transactions and guarantee satisfactory closings of positions, but Singapore really needs increased liquidity to become a major market contender."

Robert Chua, an associate vice president with Merrill Lynch International, added: "Singapore not only needs to introduce regulations but must also do something to stimulate the volume of trade."

Before formulating new regulations governing the commodities market, government officials visited Hong Kong and other markets to evaluate their respective legislation. To date, although it is not required by Singapore law, many companies trading in gold and other commodities have been cleared by the MAS or the Department of Trade after disclosing details of their financial status, shareholders and ties to major commodity exchanges. But there are numerous concerns, like Kinorris, operating without the government's knowledge. The new regulations, an official said, "will increase and tighten the controls without restricting the flexibility of the market."

The MAS contends that new regulations will prevent manipulation, not speculation, and neither authorities nor brokers expect a major impact on gold trading.

"The new rules will give added validity to the Gold Exchange of Singapore and improve our position as a world trading center," said Loh Hoon Sun, exchange chairman.

Although there are no firm figures, it is estimated that between 50 and 70 companies, consultants and representatives of foreign firms operate in the Singapore gold and commodity markets. Half of these companies, a broker estimated, are joint ventures between Singaporeans and foreigners. Hong Kong investors are the most prominent foreign presence, followed by Americans, Europeans, Japanese and Thais. There are five traditional commission houses operating in Singapore, including Merrill Lynch and Shearson, Loeb, Rhoades.

Most of the local action is in the gold market. The Gold Exchange of Singapore has 16 full members and 10 local associate members. Trade volume reached a high of 1,104 lots of 100 ounces on Dec. 19, 1979, and current daily trading is between 200 and 250 lots. Rubber is the second-most important commodity traded in Singapore, and there are six rubber brokers belonging to the Rubber Association of Singapore. Although the market is larger than those in other members of the Association of Southeast Asian Nations, trading is generally subdued.

"Major speculators tend to come to Singapore only when there are extremely large fluctuations," said a broker for the General Rubber Trading House Pte. Ltd.

Other Commodities

Most brokers believe that there will be increased activity in the Singapore commodities marketplace not only for gold and rubber but also for coffee, coconut oil, copra and pepper. The prevailing opinion is that Singapore's proximity to producing countries and growing membership in international organizations will lead to increased activity. For example, Singapore became a member of the International Coffee Organization in late August, and brokers anticipate a greater volume of trade. In addition, there is some talk of creating a state-backed trading exchange, as Malaysia has recently done, to market primary commodities and manufacturing goods.

But despite ocr regulations and the attempt to increase liquidity in Singapore, it is unlikely that the market will soon rival the activity in Hong Kong. "Singaporeans are very conservative traditionally and speculation is not part of their nature," a member of a U.S. brokerage firm said. "Tighter regulations will not change that attitude overnight."

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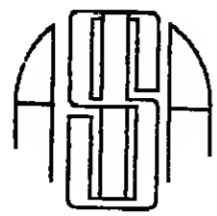
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## Banking and Finance in ASIA

### Japan's Economic Outlook Remains Good

By Robert Y. Horiguchi

MIDWAY in the current fiscal year ending next March 31, the Japanese economy, buoyed by a vigorous export wave, is moving in measured strides toward its target of a projected 4.7-percent annual growth.

A brisk external demand has more than compensated for reduced domestic consumption, although the pattern of economic activity is patchy, with problems in some sectors such as the backbone industries for basic materials that are plagued by an excess capacity of a structural character. Also in the doldrums is the residential construction industry, while plant and equipment investment by small and medium-size industries remains sluggish, although capital spending by big firms is on the increase.

But the outlook in the business community, reflecting a confidence that the economy as a whole remains healthy, is upbeat, and predictions are that the profit picture should improve in the latter part of the fiscal year beginning in October.

A recent survey of 4,712 corporations by the Bank of Japan, with a 90-percent response rate, indicated that manufacturing industries foresee a 54.6-percent increase in operating profits in the October-March period. These profits are estimated to have dipped 18.3 percent in the April-September semester against the previous half-year.

Profits in nonmanufacturing industries during the October-March period are expected to grow 36.3 percent, except in the gas and electric power sectors.

**Consumer Spending**  
The weakness in consumer spending is cited as a major cause for the poor domestic demand, a development that is causing the Economic Planning Agency to drastically revamp its January blueprint for the nation's economy.

According to this official scenario, domestic demand was to provide the main thrust for growth in fiscal 1981, and the current-account balance would show a \$6-billion deficit at the close of the fiscal year.

Actually, exports provided about two-thirds of the growth in the gross national product in the first six months of the fiscal year, while the current-account balance averaged a \$2-billion surplus each month. At this rate, the current-account balance surplus threatens to soar to \$6 billion in fiscal 1981, in-

stead of the foreseen \$6-billion deficit.

Although exports dipped 12 percent from their July figure in August, they still amounted to \$11.683 billion for a 7.8-percent growth from the corresponding month last year. Sixty-four percent of these exports consisted of machinery and appliances, with ship exports increasing 2.2-fold from a year ago.

Signs are that this reliance on exports for economic growth is likely to continue into the second half of the fiscal year.

#### Export Forecast

Thirty-three major trading houses, which between them handle 60 percent of total exports and 70 percent of imports, foresee that seasonally adjusted yen-based exports on a customs clearance basis will rise 5.3 percent in the October-March period from the previous semester. This forecast was made by the Economic Planning Agency on the basis of a survey in mid-September. A growth in imports, 4.4 percent larger than in the March-September semester, was also predicted.

The reason for sluggish consumer demand is hard to see, as disposable income has been on the increase. Wage increases have been on an average of 7.8 percent this year, while inflation has been kept to an annual level of 5 percent. According to the Labor Ministry, nominal wages had risen 6.7 percent in July from a year ago, while consumer prices had only increased 4.4 percent, for a 2.3-percent boost in real wages.

Housing starts in August dipped 16.7 percent against July, with only 97,165 new starts reported. This downward trend in residential construction has prevailed since 1980, when only 1.2 million new housing units were built, against 1.5 million in 1979.

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The struggle for survival being waged by medium-size and small businesses was reflected in the number of bankruptcies registered in the July-September quarter. These reached a high of 18,000 when calculated at an annual rate.

Alling industries, diagnosed to suffer from structural deficiencies that prevent them from coping with a slow domestic demand, include oil refining, petrochemicals, aluminum smelting, caustic soda, electrolytic zinc, ferro-alloys, carbide, paper and abrasives. All are heavy energy consumers.

A number of these industries attribute their problems to the high cost of electric power needed to manufacture their products. In the case of caustic soda, power represents 75 percent of production costs, while in aluminum refining and carbide production it is 50 percent.

Imports of aluminum ingots from countries with lower power costs have seriously affected the domestic industry. While imports are available at 440,000 yen a ton, the local product is priced at 550,000 yen. Imports reached a record 840,000 tons in 1980 and stood at 577,000 tons in the first seven months of this year, up 23 percent from a year earlier.

With production down to 50 percent of capacity since mid-1980, the Naoetsu plant of the Mitsubishi Light Metal Industries Co., the largest in Japan with a capacity of 160,000 metric tons a year, will shortly be closed. Mitsubishi, which also owns a 76,000-ton-a-year plant in Sakai, is planning to sell its surplus facilities overseas.

The Industrial Structure Council has recommended that domestic aluminum ingot production be cut to 700,000 tons annually from the present 1.1 million tons.

The paper industry is in its

worst slump since the war, with 25 percent of its production capacity idle. The government plans to impose a two-year ban on new plant and equipment in this industry.

Across-the-board production cuts are in effect in the petrochemical industry. Low-density polyethylene manufacture has been reduced by 40 percent between August and October under an industry-wide cartel agreement, while vinyl chloride production has been trimmed 51 percent from May to October. Ethylene output has been reduced 60 percent, with monthly demand at 300,000 tons when production capacity is 6 million tons a year.

Toshio Komoto, director-general of the Economic Planning Agency, has said that the government will have to revise its economic program "to ensure growth centered on domestic demand and achieve equilibrium in the current-account balance."

Serious doubts are being expressed by economic experts that such a turnaround is possible because the government's hands are tied.

The Finance Ministry, which has announced the outlines of the most austere budget in 20 years for 1982, is unlikely to loosen its purse strings to pay for new steps to stimulate demand.

Total requested government expenditures in fiscal year 1982 are put at 49.466 billion yen, for a 3.7-percent increase from the present budget. This growth, however, is only 1.8 percent when allocations for debt service and revenue-sharing with the provincial administrations are deducted.

The fiscal year 1981 budget included a 26-percent deficit, which was covered by bond issues. In the next fiscal year, the government plans to trim by 20 percent such borrowing so as to put its fiscal house in order.

### Region Is Attractive to Foreign Investors

(Continued from Page 7S)

that some attractive potential borrowers are simply not borrowing, either because they do not need it or because they are put off while world interest rates remain high.

Softer-than-expected demand has allowed some big borrowers, including the Philippines, to borrow on extremely favorable terms. The banks' heavy exposure in the Philippines had made them reluctant to lend much more there.

Bankers view regional factors in a kindly light. Growth projections

are far above those for the rest of the world. Hong Kong, Singapore, Malaysia, Thailand and Indonesia all expect real growth rates of more than 7 percent this year, while in the Philippines the figure is nearly 6 percent — all several percentage points higher than the figures expected for the industrialized countries. And although debt service ratios are expected to worsen, the region is forecast to remain within manageable limits, unlike Latin America, the Caribbean and most of Africa.

Small wonder, then, that as worldwide syndicated borrowing dropped by 5 percent last year, syndications in Asia held steady at about \$14 billion.

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100	10 1/4 % 1981 Oct	10/1/81	17.14	99.14	16.81						
100	10 1/4 % 1982 Oct	10/1/82	16.94	98.94	16.51						
100	10 1/4 % 1983 Oct	10/1/83	16.74	98.74	16.31						
100	10 1/4 % 1984 Oct	10/1/84	16.54	98.54	16.11						

### STRAIGHT BONDS All Currencies Except DM

Amnt	Security	% Mat	Yield	Mid	Pr	Yield	Mid	Pr	Yield	Mid	Pr
100	Australia	10 1/4 %	17.33	99.34	98	17.33					
100	Canada	12 3/4 %	17.51	99.51	16.50						
100	France	12 1/2 %	17.12	99.12	16.25						
100	Germany	11 3/4 %	16.62	98.62	15.75						
100	Japan	10 3/4 %	16.12	98.12	15.25						
100	UK	10 1/4 %	15.62	97.62	14.75						

### HIGHEST YIELDS to Average Life Below 5 Years

100	10 1/4 % 1980 Oct	17.33
100	10 1/4 % 1981 Oct	17.14
100	10 1/4 % 1982 Oct	16.94
100	10 1/4 % 1983 Oct	16.74
100	10 1/4 % 1984 Oct	16.54

### HIGHEST YIELDS to Average Life Above 5 Years

100	10 1/4 % 1980 Oct	17.33
100	10 1/4 % 1981 Oct	17.14
100	10 1/4 % 1982 Oct	16.94
100	10 1/4 % 1983 Oct	16.74
100	10 1/4 % 1984 Oct	16.54

### HIGHEST CURRENT YIELDS

100	10 1/4 % 1980 Oct	17.33
100	10 1/4 % 1981 Oct	17.14
100	10 1/4 % 1982 Oct	16.94
100	10 1/4 % 1983 Oct	16.74
100	10 1/4 % 1984 Oct	16.54

### DM STRAIGHT BONDS

Amnt	Security	% Mat	Yield	Mid	Pr	Yield	Mid	Pr	Yield	Mid	Pr
100	10 1/4 % 1981 Oct	10/1/81	16.25	98.25	15.75						
100	10 1/4 % 1982 Oct	10/1/82	16.05	98.05	15.55						
100	10 1/4 % 1983 Oct	10/1/83	15.85	97.85	15.35						
100	10 1/4 % 1984 Oct	10/1/84	15.65	97.65	15.15						

### DM STRAIGHT BONDS (Continued)

100	10 1/4 % 1985 Oct	10/1/85	15.45	97.45	14.95						
100	10 1/4 % 1986 Oct	10/1/86	15.25	97.25	14.75						
100	10 1/4 % 1987 Oct	10/1/87	15.05	97.05	14.55						
100	10 1/4 % 1988 Oct	10/1/88	14.85	96.85	14.35						
100	10 1/4 % 1989 Oct	10/1/89	14.65	96.65	14.15						

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International Bond Prices - Week of Oct. 22

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of International Bond Prices with columns for Amt, Security, Yield, Price, and various market indicators.

Convertible Bonds

Table of Convertible Bonds with columns for Amt, Security, Middle Price, Conv. Pr, and other details.

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"International Financial Managers in Europe" Coverage in Germany

Table showing coverage statistics for Handelsblatt, including percentages for various publications like Frankfurter Allgemeine Zeitung and Die Welt.

\*Research Services Ltd., London, Sept. 1979

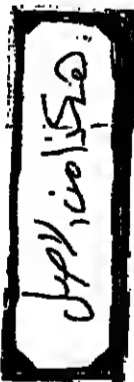
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SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

Table of Senior Executive Positions with columns for Position, Salary, Employer, Locat., Qualifications, Contact, and Source.

American Exchange Options

Table of American Exchange Options with columns for Option & Price, Calls, Puts, and other market data.

Herald Tribune Incisive. In depth. International.

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Vertical text on the right edge of the page, including 'Citicorp' and other partial words.



Over-the-Counter

Table of stock prices for various companies, including columns for 'Selling', 'High', 'Low', 'Last', and 'Change'. Includes sub-sections for 'Over-the-Counter' and 'Consolidated Trading'.

Chicago Exchange Options

Table of Chicago Exchange Options for the week ending Oct. 23, 1981. Columns include 'Option', 'Strike', 'Call', and 'Put' prices for various stocks.

NOTICE OF REDEMPTION RELIANCE INTERNATIONAL N.V.

Legal notice regarding the redemption of Reliance International N.V. debentures, including details on conversion to common stock and interest payments.

Advertisement for Amfas Groep N.V. featuring the company logo, financial details (Dfls. 40,000,000), and a list of participating banks.

Vertical advertisement on the right edge of the page, partially obscured, mentioning 'International' and 'Currency'.



Journalist's

Selected U.S. College Football Results

Table of college football results including teams like Alabama, Auburn, Baylor, and others with scores and game details.

Tailback Warner: Another Paterno Prodigy

Walker of the University of Georgia... He did not start Saturday's game against West Virginia... The injury, suffered during practice last Tuesday, was kept a secret...

When Paterno compares Warner to Dorsett there is little wonder that reporters lined up in Wyoming... to sell the quick, intelligent young high school senior tailback on their football programs...

Warner did not escape Paterno's recruiting. He didn't want to. And now the Nittany Lion is undefeated and ranked No. 1 in the nation largely because of the Dorsett-like efforts of Warner...

Warner said that Nebraska, West Virginia, Virginia Tech, Kentucky, South Carolina, Pittsburgh, Maryland, Notre Dame and Penn State sent recruiters, Paterno and Jackie Sherrill, Pitt's head coach, wound up in Wyoming the same night in the winter of 1979 to see Warner play basketball...

"I was getting a lot of letters from colleges," Warner said. "I was tired of filling out those forms so I gave them to Mrs. Libby McKinney to take care of."

Mrs. McKinney, an English teacher in the Pineville, W. Va., high school where Warner played, took it upon herself to write to Paterno, suggesting he take a look at Warner. That began the process...

"I just don't believe in using a freshman that much," Paterno said. "Curt came here as a 175-pound back from the smallest class of high school football in West Virginia..."

"He didn't get hit that much. He outran them in high school and the players who hit him weren't as big as they are up here. He had to come along my way - slowly. Now he's about 200 pounds with work on weights and exercises. Now he can take it..."

"Also, I don't think it's fair to the kid to put the pressure on him. And what he's got to look forward to if he does it all right away. I feel as if Herschel Walker and wonder what he has to look forward to..."

Walker is the sophomore star at Georgia, who, as a freshman tailback, led the nation in rushing and led the Bulldogs to an undefeated season.

To our readers... Please let us know about any problems you may have obtaining your copy of the International Herald Tribune. Write with all pertinent information to:

Francis Desjardins Circulation Director, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92200 Neuilly, France.

In Asia and Pacific write to: International Herald Tribune, 1801 Tai Sang Commercial Building, 24-34 Hennessy Road, Hong Kong.

Over-the-Counter

Table of over-the-counter stock prices for various companies like Amstar, Amstar, Amstar, etc.

Mutual Funds table listing various funds and their performance metrics.

Table of gold options prices for various contracts and expiration dates.

Table of dollar commodity trust prices for various commodities.

Table of college degree programs and related information.

Table of gold options prices for various contracts and expiration dates.

Table of dollar commodity trust prices for various commodities.

Table of gold options prices for various contracts and expiration dates.

Share in America advertisement featuring a major U.S. oil company with details on share purchases and interest rates.

Table of international stock prices for various companies like Amstar, Amstar, Amstar, etc.

Mutual Funds table listing various funds and their performance metrics.

Table of gold options prices for various contracts and expiration dates.

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Table of college degree programs and related information.

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Paris Conference advertisement for November 23-24, 1981, focusing on the outlook for major currencies.

Continued from Page 16

INTERNATIONAL INCOME FUND

provides the following choice of investments: Short Term 'A' Units, Short Term 'B' Units, Long Term Units.

Table of international income fund prices for various units.

Table of gold options prices for various contracts and expiration dates.

Table of dollar commodity trust prices for various commodities.

Table of gold options prices for various contracts and expiration dates.

Table of dollar commodity trust prices for various commodities.

Advertisement for Banco Internacional de Colombia (Nassau) Ltd. with details on deposits and interest rates.



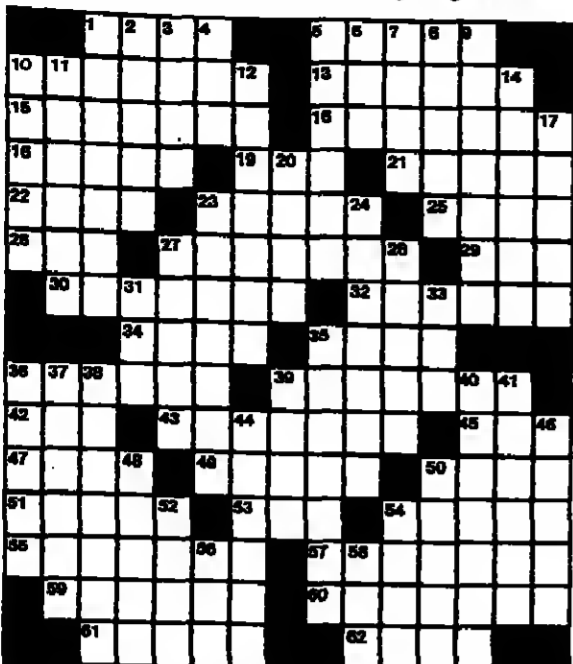
West Virginia's Oliver Luck, right, and Penn State's Rich D'Amico battled for ball possession after Luck's pass was blocked in the second period Saturday. Penn State won the contest, 30-7.

More Sports On Page 19

Large advertisement for Classified Advertisements, featuring various services like escorts, guides, and travel agencies.

CROSSWORD

By Eugene T. Malaska



- ACROSS
1 Memorable anthropologist
3 Tire part
18 Goys, for one
13 She wrote "Mansfield Park"
15 "View of Toledo" artist
16 Yankee third baseman
18 Actress Leslie
19 Like Leroy Brown
21 Corvado
22 Soviet sea
23 Harvest address
25 Was transported
26 Basketball team
27 "Monsieur and Madame" author
28 Martinique, e.g.
29 Units
32 He wrote "The Skin of Our Teeth"
34 Choir singer
35 Forces unit
36 Antlered animal
38 Robin's perch
42 Spanish river
43 Nocturnal insect
45 Women's
47 Sygne's abode
49 Elean specialities
50 Roofing material
51 Author Ernest Thompson
53 Show agreement
54 English county
55 Commitment
57 Babylonian's neighbor
58 Trademark
60 Least dry
61 Send by stages
62 Equal
DOWN
1 Birds do it; whales do it
2 Register
3 Solar disk
4 Last too
5 Rig bicycle
6 Woody herb
7 Beatrice
8 Rose product
9 Triangular
10 pie
11 Vistogothic king
12 Rossellini
14 Kind of work or point
17 Be disagreeable
18 Driver boots
23 Southwestern saloon
24 They make cards and boards
27 Tripping tripplies
28 Diamond performers
31 Seasons
32 "Body and Soul" (Galsworthy novel)
35 Awesome
36 Snatch a purse, e.g.
37 Drying frames
38 He played Mister Tibbs
39 Concert number
40 One of England's lords
41 Post, Tibbets et al.
44 Mean, as a verb
46 "John Brown's" post
48 Band leader
49 Home of Arizona's Sun Devils
52 Not blinding
54 Title Christie Ray
56 Byron is one
58 Race section

WEATHER

Table with columns for High, Low, and weather conditions for various cities including Algarve, Albany, Amstterdam, Ankara, Athens, Auckland, Bangkok, Beirut, Belo Horizonte, Berlin, Boston, Brussels, Bucharest, Budapest, Buenos Aires, Cairo, Casablanca, Chicago, Copenhagen, Costa del Sol, Damascus, Dublin, Edinburgh, Florence, Frankfurt, Geneva, Helsinki, Hong Kong, Houston, Istanbul, Jerusalem, Las Palmas, Lima, Lisbon, London, Los Angeles, Madrid, Manila, Mexico City, Milan, Montreal, Moscow, Munich, Nairobi, Nassau, New Delhi, New York, Oslo, Paris, Prague, Rio de Janeiro, Rome, Saigon, Seoul, Shanghai, Singapore, Stockholm, Sydney, Taipei, Tel Aviv, Tokyo, Toronto, Vienna, Warsaw, Washington, Zurich.

Advertisement for Aquascutum featuring a man in a suit and the text 'The Character of Aquascutum - Classic styling at its best. The Aquascutum collection available in fine shops throughout Europe.' Includes the Aquascutum logo and address: 100 REGENT STREET LONDON.

ASK FOR IT EVERY DAY. EVERYWHERE YOU GO. International Herald Tribune We've got news for you.

Comic strip 'PEANUTS' by Schulz. Panel 1: A girl says 'I KNOW, MAAM! I KNOW!' Panel 2: A boy says 'THE ANSWER IS, "THE WHOLE WORLD"' Panel 3: A girl says 'IT ISN'T? SORRY, MAAM.' Panel 4: A boy says 'I THOUGHT FOR SURE THE ANSWER WOULD BE IN THERE SOME PLACE.'

Comic strip 'B.C.' by Blythe. Panel 1: A man says 'POOR THOR... HE KEEPS TRYING TO LAISH EXPENSIVE GIFTS ON ME.' Panel 2: A man says 'SO?' Panel 3: A man says 'HE'S GOT RINGS AROUND THE COLLAR.' Panel 4: A man asks 'DO YOU HAVE ANY IDEA HOW MUCH BLEACH YOU CAN BUY WITH A DIAMOND BROOCH?'

Comic strip 'BLONDIE' by Young. Panel 1: Blondie says 'WE'RE GETTING UP A POKER GAME.' Panel 2: Blondie says 'COUNT ME IN!' Panel 3: Blondie says 'HUSBANDS BORDER ON GENIUS WHEN IT COMES TO GETTING OUT FOR A LITTLE FUN.' Panel 4: Blondie says 'HI.' Panel 5: Blondie says 'SMILE, HONEY, SO THE NEIGHBORS WILL THINK WE'RE JUST KIDDING AROUND.'

Comic strip 'BEETLE BAILEY' by Mort Walker. Panel 1: Beetle Bailey says 'SO I GOOFED UP, I SUPPOSE YOU'RE GOING TO BOP ME ONE.' Panel 2: Beetle Bailey says 'YOU'RE WRONG.' Panel 3: Beetle Bailey says 'WELCOME TO BOP-CITY.'

Comic strip 'ANDY CAPP' by Mort Walker. Panel 1: Andy Capp says 'WHAT ARE YOU DOING THIS EVENIN', PET?' Panel 2: Andy Capp says 'THERE'S AN OLD FOLK GARFIELD FILM ON T.V. I WANT TO SEE. I ALWAYS LIKED 'EM.' Panel 3: Andy Capp says 'OH, WOMAN, STOP LIVIN' IN THE PAST.' Panel 4: Andy Capp says 'THIS IS MUCH MORE EXCITIN' LISTENIN' TO THEM (ABOUT WHO WON THE CLIP FINAL IN 1934).'

Comic strip 'WIZARD OF ID' by Mort Walker. Panel 1: Wizard of Id says 'GIVE ME THREE HANSTERS.' Panel 2: Wizard of Id says 'YOU'RE NOT EXPERIMENTING ON THEM, ARE YOU?' Panel 3: Wizard of Id says 'OF COURSE NOT.' Panel 4: Wizard of Id says 'THEY'RE FOR MY PYTHON.'

Comic strip 'REX MORGAN' by Mort Walker. Panel 1: Rex Morgan says 'DRIVING KENNY HOME AFTER THE FOOTBALL GAME, KEITH ASKED ME THAT MARTHA'S SON IS A GOOD COMPANION AND A KNOWLEDGEABLE SPORTS FAN!' Panel 2: Rex Morgan says 'MOM, YOU SHOULD'VE SEEN IT. STATE WAS TWO POINTS BEHIND WITH EIGHT SECONDS TO PLAY—' Panel 3: Rex Morgan says 'AND SULLIVAN KICKED A 52-YARD FIELD GOAL!' Panel 4: Rex Morgan says 'HOW DID YOU KNOW THAT, MRS. DANE?' Panel 5: Rex Morgan says 'I MADE THE MISTAKE OF TUNING IN THE GAME DURING THE FIRST QUARTER. AS A RESULT I GOT NO HOUSEWORK DONE! BUT I DID MANAGE TO GET A ROAST IN THE OVEN!'

Comic strip 'DOONESBURY' by Mort Walker. Panel 1: Mr. Doon says 'MIKEY, WHAT ARE YOU DOING HOME?' Panel 2: Mr. Doon says 'HELLO, UNCLE HENRY.' Panel 3: Mr. Doon says 'YOU, YOU KNOW, YES, YOU'RE IN TROUBLE.' Panel 4: Mr. Doon says 'I'M A BUM, MIKEY. YOU'RE MY UNCLE.' Panel 5: Mr. Doon says 'I'M HIS BROTHER. IS MY NEPHEW.' Panel 6: Mr. Doon says 'I'VE BEEN WORRIED.'

JUMBLE word game. Includes words: VINGY, ISSAB, DIPSUT, GININN. Instructions: 'Unscramble these four Jumbles, one letter to each square, to form four ordinary words. Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.'

DENNIS THE MENACE comic strip by Raymond. Panel 1: Dennis says 'I DIDN'T KNOW HE WAS A STINGIN' BUG 'TIL HE WANTED LOOSE!'

BOOKS ROMANTICISM AND ROMANTICISM By Michel Le Bris. 215 pp. \$85. Skira/Rizzoli, 712 Fifth Avenue, N.Y. 10019.

ROMANTICISM By Jean Clay. With a foreword by Robert Rosenblum. 320 pp. \$50 to Dec. 31; \$60 thereafter. Phaidon/Vendome, 515 Madison Ave., Suite 1906, N.Y. 10022.

Reviewed by Anatole Broyard. "COLOR is the pain of light" where else but in a book on Romanticism would you find a shimmering sentence like that of one of Goethe's? Here are some more by other writers: "The tragedy of landscape." "That rent made by nature in the innermost steps of the self." "The deliverance of the glance." "A haggard exploration of contradictions." Whatever else you may say about Romanticism — and it is sometimes fatuous — it does permit heroic phrase making. What is Romanticism, exactly? In "Romanticism and Romanticism," Michel Le Bris says that the Romantic movement had only just begun in the beginning of the 19th century when Friedrich von Schlegel admitted that he had already filled 100 pages with vain attempts to define it. In "Romanticism," Jean Clay points out that, in 1824, two French scholars set out to define the term and gave up in despair after a year. By 1925, Clay says, a Belgian scholar compiled 150 accepted definitions, all of which seemed pertinent. In spite of his Romantic remark about color, Goethe was severe about Romanticism in art. "I call Classic what is healthy," he said, "and Romantic what is sick." In the second half of the 19th century, Degas said, "A Classicist is a Romantic who has arrived."

Solution to Friday's Puzzle. A crossword puzzle grid with the solution words filled in: HELF, SATIN, REFS, OOR, CLOSE, ELIA, TARO, OMAS, GUAN, MENOFREWORDS, TAFT, PEER, AIRS, VALET, EGO, REASON, OUD, BER, DONATE, LIND, NITER, ANNE, DPEC, PING, ARETHEWESTEN, ARIO, EMILE, ION, BELL, AMBER, THEE, TOLE, RAGE, WOLLE.

CHESS

Chess article by Robert Byrne. Vlado Kovacevic, a Yugoslav grandmaster, won the Maribor, Yugoslavia, international tournament, scoring 10-3 in the 14-player round-robin event. Jonathan Speelman of Britain captured second place with 9½-3½, thus attaining grandmaster rank. Grandmasters Hans Ree of the Netherlands and Dragoljub Velimirovic and Juraj Nikolic of Yugoslavia shared third place with 8-5 scores. In a beating Ree with a gung-ho speculative attack, Kovacevic played in the style of a cavalier of the last century. His 3 B-B4 was the introduction to old-fashioned play, but what had he intended against the sharp 3... P-B4; 4 P-K3, Q-N3 except the defensive 5 Q-B1? Ree mobilized in a solid, passive style, however, prompting Kovacevic to strive for an attack against the king with 8 P-KR4!

Chess board diagram showing a game position. Captions: 'After 18 QxP1, Kovacevic was able to add threats of promoting the advanced KNP to his mating attack; thus 18... R-B1; 19 R-R1, Nf2; 20 Q-B2, 21 B-B6, 22 Q-Q3, BxQ; 23 P-N7, BxP; 24 BxP Black a pawn down. On 20-Q-N8, Ree could not stop 21 Q-Bmate by 20... Q-K2 because of 21 R-R7, so he gave back a piece with 20... NxP; 21 BxN to win with his king.'

Table titled 'QUEEN'S PAWN OFFENSIVE' showing chess moves and their consequences. Columns include White move, Black move, White move, Black move, and White move. Moves include 17-Q4, 18-N3, 19-Q3, 20-Q2, 21-B6, 22-Q3, 23-P-N7, 24-BxP, 25-BxQ, 26-BxP, 27-RxQ, 28-N3, 29-N7, 30-Q2, 31-RxQ, 32-QxQ, 33-N1, 34-QxQ, 35-N3, 36-QxQ, 37-RxQ, 38-N3, 39-QxQ, 40-N3, 41-QxQ, 42-N3, 43-QxQ, 44-N3, 45-QxQ, 46-N3, 47-QxQ, 48-N3, 49-QxQ, 50-N3, 51-QxQ, 52-N3, 53-QxQ, 54-N3, 55-QxQ, 56-N3, 57-QxQ, 58-N3, 59-QxQ, 60-N3.

RADIO NEWSCASTS

Table titled 'BBC WORLD SERVICE' showing broadcast times for various regions: Western Europe, Middle East, South Asia, Eastern Europe, South America, Africa, and Pacific.

VOICE OF AMERICA

Table titled 'RADIO CANADA INTERNATIONAL' showing broadcast times for various regions: Western Europe, Middle East, South Asia, Eastern Europe, South America, Africa, and Pacific.

Vertical text on the right edge of the page, including 'Walters', 'Los Angeles', and 'Touchdown'.



